DEPARTMENT OF STATE A/CDC/MR
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482

April 23, 1969

TO : OPR/FSD - Mr. Edward G. Boehm

FROM : L:L/C - Ernest L. Kerley

SUBJECT: Payment of U.S.S. Liberty claims by Government of Israel

Pursuant to our conversation with Mrs. Cain of your office we have instructed Embassy Tel Aviv that the transfer of funds by which the Government of Israel wishes to settle claims arising from the attack on the U.S.S. Liberty should be made to a Federal Reserve bank, for deposit in the Treasurer's General Fund. We have requested the Embassy to inform us telegraphically to which Federal Reserve bank the transfer will be made and when the transfer is initiated. As soon as we receive this information we will telephone Mrs. Cain.

31 U.S.C. §547 provides:

> "All moneys received by the Secretary of State from foreign governments and other sources, in trust for citizens of the United States or others, shall be deposited and covered into the Treasury.
>
> "The Secretary of State shall determine the amounts due claimants, respectively, from each of such trust funds, and certify the same to the Secretary of the Treasury, who shall, upon the presentation of the certificates of the Secretary of State, pay the amounts so found to be due.
>
> "Each of the trust funds covered into the Treasury as aforesaid is appropriated for the payment to the ascertained beneficiaries thereof of the certificates provided for in this section. (Feb. 27, 1896, ch. 34, 29 Stat. 32.)"

DECLASSIFIED

Pursuant to this provision, payments received from foreign governments in settlement of international claims have, in the past, been deposited under SYMBOL NO. 19X~~8815~~, 6035 INDEMNIFICATION FUND, FOREIGN GOVERNMENTS. It would be appreciated if your office would arrange with the Department of the Treasury for the funds transferred by the Government of Israel to be deposited under this symbol, and for the Department of the Treasury to inform you as soon as the funds have been deposited.

When FSD has informed us that the funds have been deposited, we will send you a list of payees and the amounts involved, requesting that an appropriate check be issued in each case by the Department of the Treasury and sent to L/C for transmission to the payees.

19X6035 (New Number)
JaK L/C
June 13, 1973

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